

SENATE BILL No. 283

DIGEST OF INTRODUCED BILL

Citations Affected: Numerous citations throughout the Indiana Code.

Synopsis: Phase out of inheritance tax. Phases out the inheritance tax by giving an increasing credit against the inheritance tax due. Provides that the inheritance tax does not apply to the transfer of property interests from a person whose death occurs after June 30, 2008.

Effective: July 1, 2004.

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January 8, 2004, read first time and referred to Committee on Finance.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 283

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-11-36.1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 36.1. (a) Except as
3 provided in subsections (b) through (c), all property, both tangible and
4 intangible, acquired or held by the authority under this chapter,
5 IC 4-4-21, or IC 15-7-5 is declared to be public property used for
6 public and governmental purposes, and all such property and income
7 therefrom shall at all times be exempt from all taxes imposed by this
8 state, any county, any city, or any other political subdivision of this
9 state, except for the financial institutions tax imposed under IC 6-5.5
10 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

11 (b) Property owned by the authority and leased to a person for an
12 industrial development project is not public property. The property and
13 the industrial development project are subject to all taxes of the state
14 or any county, city, or other political subdivision of the state in the
15 same manner and subject to the same exemptions as are applicable to
16 all persons.

17 (c) Any industrial development project financed by a loan under the

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1 authority of this chapter shall not be considered public property and
 2 shall not be exempt from any taxes of this state, or any county, city, or
 3 other political subdivision thereof, except for pollution control
 4 equipment.

5 (d) An agricultural enterprise or rural development project financed
 6 by a loan under the authority of this chapter or IC 15-7-5 shall not be
 7 considered public property and shall not be exempt from Indiana taxes
 8 or any county, city, or other political subdivision of the state.

9 (e) This section does not provide a tax exemption for a financial
 10 institution that receives a guaranteed participating loan or an exporter
 11 that receives an eligible export loan or performance bond guarantee
 12 under this chapter or IC 4-4-21.

13 SECTION 2. IC 4-4-11.2-29 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 29. All property of the
 15 authority is public property devoted to an essential public and
 16 governmental function and purpose and is exempt from all taxes and
 17 special assessments, direct or indirect, of the state or a political
 18 subdivision of the state. All bonds issued under this chapter are issued
 19 by a body corporate and public of the state, but not a state agency, and
 20 for an essential public and governmental purpose, and the bonds, the
 21 interest thereon, the proceeds received by a holder from the sale of the
 22 bonds to the extent of the holder's cost of acquisition, proceeds
 23 received upon redemption prior to maturity, and proceeds received at
 24 maturity and the receipt of the interest and proceeds shall be exempt
 25 from taxation in the state for all purposes except a ~~state inheritance~~
 26 **death** tax imposed under IC 6-4.1.

27 SECTION 3. IC 4-13.5-4-6 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) All property of
 29 the commission is public property devoted to an essential public and
 30 governmental function and purpose and is exempt from all taxes and
 31 special assessments of the state or a political subdivision of the state.

32 (b) All bonds or loan contracts issued under this article are issued
 33 by a body corporate and politic of this state, but not a state agency, and
 34 for an essential public and governmental purpose, and the bonds and
 35 loan contracts, the interest thereon, the proceeds received by a holder
 36 from the sale of the bonds or loan contracts to the extent of the holder's
 37 cost of acquisition, proceeds received upon redemption before
 38 maturity, proceeds received at maturity, and the receipt of the interest
 39 and proceeds are exempt from taxation for all purposes except the
 40 financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~
 41 **death** tax imposed under IC 6-4.1.

42 SECTION 4. IC 5-1-4-26 IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2004]: Sec. 26. The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by an authority or its agent will constitute the performance of essential governmental functions, such authority shall not be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by such authority under the provisions of this chapter, or upon the income therefrom, and the bonds issued under the provisions of this chapter, the interest thereon, the proceeds received by a holder from the sale of such bonds to the extent of the holder's cost of acquisition, or proceeds received upon redemption prior to maturity or proceeds received at maturity, and the receipt of such interest and proceeds shall be exempt from taxation in the state of Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 5. IC 5-1-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. The refunding bonds and the income therefrom shall be exempt from taxation, except the financial institutions tax and ~~inheritance, estate and transfer death~~ **death** taxes **under IC 6-4.1.**

SECTION 6. IC 5-1.4-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. All property of the bank is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments of the state or a political subdivision of the state. All bonds or notes issued under this article are issued by a body corporate and public of this state, but not a state, city, or county agency, and for an essential public and governmental purpose. The bonds and notes, the interest thereon, the proceeds received by a holder from the sale of the bonds or notes to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds shall be exempt from taxation in the state for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 7. IC 5-1.5-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. All property of the bank is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments, direct or indirect, of the state or a political

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subdivision of the state. All bonds or notes issued under this article are issued by a body corporate and public of this state, but not a state agency, and for an essential public and governmental purpose and the bonds and notes, the interest thereon, the proceeds received by a holder from the sale of the bonds or notes to the extent of the holder's cost of acquisition, proceeds received upon redemption prior to maturity, ~~and~~ proceeds received at maturity, and the receipt of the interest and proceeds shall be exempt from taxation in the state for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 8. IC 5-20-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. All bonds and interim receipts or certificates, proceeds received by a holder from the sale of them to the extent of the holder's cost of acquisition, proceeds received upon redemption prior to maturity, proceeds received at maturity, and interest thereon, are exempt from taxation in the state of Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 9. IC 5-21-2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15. (a) All property of the commission is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments of the state or a political subdivision of the state.

(b) All bonds or loan contracts issued under this article are issued by a body corporate and politic of this state, but not a state agency, and for an essential public and governmental purpose. The bonds and loan contracts, the interest on them, the proceeds received by a holder from the sale of the bonds or loan contracts to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 10. IC 6-4.1-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) **This section expires July 1, 2010.**

(b) "Class A transferee" means a transferee who is a lineal ancestor or lineal descendant of the transferor.

~~(b)~~ (c) "Class B transferee" means a transferee who is a:

- (1) brother or sister of the transferor;
- (2) descendant of a brother or sister of the transferor; or
- (3) spouse, widow, or widower of a child of the transferor.

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(c) (d) "Class C transferee" means a transferee, except a surviving spouse, who is neither a Class A nor a Class B transferee.

(d) (e) For purposes of this section, a legally adopted child is to be treated as if ~~he~~ **the child** were the natural child of ~~his~~ **the child's** adopting parent. For purposes of this section, if a relationship of loco parentis has existed for at least ten (10) years and if the relationship began before the child's fifteenth birthday, the child is to be considered the natural child of the loco parentis parent.

SECTION 11. IC 6-4.1-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) **This section expires July 1, 2010.**

(b) "Taxable transfer" means a property interest transfer ~~which that~~ is:

- (1) described in ~~clauses (1) and (2) of IC 6-4.1-2-1~~ **IC 6-4.1-2-1(a)(1) or IC 6-4.1-2-1(a)(2); and**
- ~~which is~~ (2) not exempt from the inheritance tax under sections 1 through 7 of IC 6-4.1-3.

SECTION 12. IC 6-4.1-2-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 0.5. (a) **This chapter does not apply to a property interest transferred from the estate of an individual whose death occurs after June 30, 2008.**

(b) **This chapter expires July 1, 2010.**

SECTION 13. IC 6-4.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) An inheritance tax is imposed at the time of a ~~decedent's~~ **person's** death on certain property interest transfers made by ~~him~~ **the person**. The transfer of a property interest is subject to the tax if:

- (1) the property transferred is described in:
 - (i) (A) section 2 of this chapter if the property is transferred by a resident decedent; or
 - (ii) (B) section 3 of this chapter if the property is transferred by a nonresident decedent;
- (2) the transfer is described in section 4 of this chapter; and
- (3) neither the transfer nor the property is exempt from the inheritance tax under IC 6-4.1-3.

(b) For purposes of this article, a transfer described in section 4 of this chapter is considered a transfer made by the deceased transferor regardless of when the transferee acquires the property interest.

SECTION 14. IC 6-4.1-3-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 0.5. (a) **This chapter does not**

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1 apply to a property interest transferred from the estate of an
2 individual whose death occurs after June 30, 2008.

3 (b) This chapter expires July 1, 2010.

4 SECTION 15. IC 6-4.1-4-0.2 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JULY 1, 2004]: **Sec. 0.2. This chapter does not apply**
7 **to a property interest transferred from the estate of an individual**
8 **whose death occurs after June 30, 2008.**

9 SECTION 16. IC 6-4.1-5-0.5 IS ADDED TO THE INDIANA
10 CODE AS A NEW SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. Sections 1.1 through 17 of**
12 **this chapter do not apply to a property interest transferred from**
13 **the estate of an individual whose death occurs after June 30, 2008.**

14 SECTION 17. IC 6-4.1-5-1 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) For purposes of
16 this section, the net taxable value of property interests transferred by a
17 decedent to a particular transferee equals the remainder of:

18 (1) the total fair market value of the property interests transferred
19 by the decedent to the transferee under a taxable transfer or
20 transfers; minus

21 (2) the total amount of exemptions and deductions provided under
22 sections 9.1 (**repealed**) through 15 of IC 6-4.1-3 with respect to
23 the property interests so transferred.

24 (b) **Except as provided in subsection (e),** the inheritance tax
25 imposed on a decedent's transfer of property interests to a particular
26 Class A transferee is prescribed in the following table:

27 NET TAXABLE VALUE OF
28 PROPERTY INTERESTS

29 TRANSFERRED

INHERITANCE TAX

30 \$25,000 or less

1% of net taxable value

31 over \$25,000 but not

32 over \$50,000

\$250, plus 2% of net
taxable value over \$25,000

34 over \$50,000 but not

35 over \$200,000

\$750, plus 3% of net taxable
value over \$50,000

37 over \$200,000 but not

38 over \$300,000

\$5,250, plus 4% of net
taxable value over \$200,000

40 over \$300,000 but not

41 over \$500,000

\$9,250, plus 5% of net
taxable value over \$300,000



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1	over \$500,000 but not	
2	over \$700,000	\$19,250, plus 6% of net
3		taxable value over \$500,000
4	over \$700,000 but not	
5	over \$1,000,000	\$31,250, plus 7% of net
6		taxable value over \$700,000
7	over \$1,000,000 but not	
8	over \$1,500,000	\$52,250, plus 8% of net
9		taxable value over \$1,000,000
10	over \$1,500,000	\$92,250, plus 10% of net
11		taxable value over \$1,500,000

(c) **Except as provided in subsection (e)**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:

15	NET TAXABLE VALUE OF	
16	PROPERTY INTERESTS	
17	TRANSFERRED	INHERITANCE TAX
18	\$100,000 or less	7% of net taxable value
19	over \$100,000 but not	
20	over \$500,000	\$7,000, plus 10% of net
21		taxable value over \$100,000
22	over \$500,000 but not	
23	over \$1,000,000	\$47,000, plus 12% of net
24		taxable value over \$500,000
25	over \$1,000,000	\$107,000, plus 15% of net
26		taxable value over \$1,000,000

(d) **Except as provided in subsection (e)**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class C transferee is prescribed in the following table:

30	NET TAXABLE VALUE OF	
31	PROPERTY INTERESTS	
32	TRANSFERRED	INHERITANCE TAX
33	\$100,000 or less	10% of net taxable value
34	over \$100,000 but not	
35	over \$1,000,000	\$10,000, plus 15% of net
36		taxable value over \$100,000
37	over \$1,000,000	\$145,000, plus 20% of net
38		taxable value over \$1,000,000

(e) **Notwithstanding this article, for a person who dies after June 30, 2008, there is no inheritance tax imposed on the decedent's transfer of property interests.**

SECTION 18. IC 6-4.1-5-1.1 IS ADDED TO THE INDIANA



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CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2004]: **Sec. 1.1. (a)** For purposes of
 determining the amount of inheritance tax imposed under this
 article, a credit is allowed against the tax imposed under section 1
 of this chapter on a decedent's transfer of property interests. The
 amount of the credit equals the inheritance tax imposed under
 section 1 of this chapter multiplied by the percentage prescribed in
 the following table:

DATE OF PERSON'S DEATH	PERCENTAGE OF CREDIT
After June 30, 2004, and before July 1, 2005	20%
After June 30, 2005, and before July 1, 2006	40%
After June 30, 2006, and before July 1, 2007	60%
After June 30, 2007, and before July 1, 2008	80%

(b) A person who is liable for inheritance tax imposed under this
 article may claim the credit allowed under this section at the time
 the person pays the tax. When the payment is made, the person
 collecting the tax shall reduce the inheritance tax due by the
 appropriate percentage specified in subsection (a).

SECTION 19. IC 6-4.1-6-0.5 IS ADDED TO THE INDIANA
 CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply
 to a property interest transferred from the estate of an individual
 whose death occurs after June 30, 2008.**

SECTION 20. IC 6-4.1-7-0.5 IS ADDED TO THE INDIANA
 CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply
 to a property interest transferred from the estate of an individual
 whose death occurs after June 30, 2008.**

SECTION 21. IC 6-4.1-8-0.5 IS ADDED TO THE INDIANA
 CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply
 to a property interest transferred from the estate of an individual
 whose death occurs after June 30, 2008.**

SECTION 22. IC 6-4.1-9-0.5 IS ADDED TO THE INDIANA
 CODE AS A NEW SECTION TO READ AS FOLLOWS
 [EFFECTIVE JULY 1, 2004]: **Sec. 0.5. This chapter does not apply
 to a property interest transferred from the estate of an individual**

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1 **whose death occurs after June 30, 2008.**

2 SECTION 23. IC 6-4.1-12-1 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. **(a) This section**
4 **expires July 1, 2010.**

5 **(b)** The probate court of the county:

6 (1) in which a resident decedent was domiciled at the time of the
7 decedent's death; or

8 (2) in which the resident decedent's estate is being administered,
9 if different from the county described in subdivision (1);

10 has jurisdiction to determine the inheritance tax imposed as a result of
11 the resident decedent's death and to hear all matters related to the tax
12 determination. However, if two (2) or more courts in a county have
13 probate jurisdiction, the first court acquiring jurisdiction under this
14 article acquires exclusive jurisdiction over the inheritance tax
15 determination.

16 SECTION 24. IC 6-4.1-12-2 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. **(a) This section**
18 **expires July 1, 2010.**

19 **(b)** Each county assessor shall serve as the county inheritance tax
20 appraiser for the county ~~he~~ **the county assessor** serves. However, the
21 appropriate probate court shall appoint a competent and qualified
22 resident of the county to appraise property transferred by a resident
23 decedent if the county assessor is:

24 (1) beneficially interested as an heir of the decedent's estate;

25 (2) the personal representative of the decedent's estate; or

26 (3) related to the decedent or a beneficiary of the decedent's estate
27 within the third degree of consanguinity or affinity.

28 A person who is appointed to act as the county inheritance tax
29 appraiser under this section shall receive a fee for ~~his~~ **the person's**
30 services. The court, subject to the approval of the department of state
31 revenue, shall set the fee.

32 SECTION 25. IC 6-4.1-12-4 IS AMENDED TO READ AS
33 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. **(a) This section**
34 **expires July 1, 2010.**

35 **(b)** The county assessor shall receive funds from the county to pay
36 the actual cost of equipment ~~which he~~ **that the county assessor** needs
37 to perform the duties assigned ~~to him~~ under this article.

38 SECTION 26. IC 6-4.1-12-6 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. The department of
40 state revenue:

41 (1) shall supervise the enforcement of this article;

42 (2) shall supervise the collection of taxes imposed under this

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1 article;

2 (3) shall investigate the manner in which this article is
3 administered and enforced in the various counties of this state;

4 (4) shall provide the forms and books required to implement this
5 article;

6 (5) shall promulgate any rules or regulations which are necessary
7 for the interpretation or the enforcement of this article;

8 (6) may investigate any facts or circumstances which are relevant
9 to the taxes imposed under this article;

10 (7) shall provide the inheritance tax administrator with a secretary
11 **(until the elimination of the office of inheritance tax**
12 **administrator); and**

13 (8) may provide the inheritance tax administrator with assistants,
14 clerks, or stenographers **(until the elimination of the office of**
15 **inheritance tax administrator).**

16 SECTION 27. IC 6-4.1-12-8 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 8. **(a) This section**
18 **expires July 1, 2010.**

19 **(b)** The governor shall, with the advice of the department of state
20 revenue, appoint a state inheritance tax administrator. The inheritance
21 tax administrator shall receive a salary to be fixed in the manner
22 prescribed in IC 4-12-1-13. In addition, ~~he~~ **the inheritance tax**
23 **administrator** shall receive the same mileage and travel allowances
24 which other state employees receive.

25 SECTION 28. IC 6-4.1-12-9 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. **(a) This section**
27 **expires July 1, 2010.**

28 **(b)** The inheritance tax administrator:

29 (1) shall supervise the administration of this article;

30 (2) shall, on behalf of the department of state revenue, perform
31 the administrative duties assigned to the department under this
32 article;

33 (3) shall file reports with the department of state revenue on the
34 first day of January, April, July, and October of each year;

35 (4) may, with the approval of the governor, employ special
36 auditors or appraisers to appraise any property interest which is
37 transferred by a decedent under a taxable transfer; and

38 (5) may, with the approval of the governor, employ special
39 counsel to advise the administrator or to represent the
40 administrator or the department of state revenue in any
41 proceeding initiated by or against the administrator or the
42 department.

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1 SECTION 29. IC 6-4.1-12-10 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 10. **(a) This section**
 3 **expires July 1, 2010.**

4 **(b)** A special auditor, appraiser, or counsel appointed by the
 5 inheritance tax administrator under section 9 of this chapter shall
 6 receive compensation for his services in an amount fixed by the
 7 administrator and the governor. When a claim for the compensation is
 8 approved by the administrator and the governor, the state auditor shall
 9 issue a warrant to the claimant in the amount so approved. The state
 10 auditor shall draw the warrant on taxes collected under this article. The
 11 state treasurer shall pay the warrant.

12 SECTION 30. IC 6-4.1-12-11 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. The department of
 14 state revenue and the inheritance tax administrator **(until the**
 15 **elimination of the office of inheritance tax administrator)** shall
 16 gather information and make investigations concerning the estates of
 17 nonresidents whose deaths result in the imposition of a tax under this
 18 article.

19 SECTION 31. IC 6-8-5-1 IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) All bonds issued after March
 21 11, 1959, or notes, warrants, or other evidences of indebtedness issued
 22 in the state of Indiana by or in the name of any county, township, city,
 23 incorporated town, school corporation, state educational institution or
 24 state supported institution of higher learning, or any other political,
 25 municipal, public or quasi-public corporation or body, or in the name
 26 of any special assessment or taxing district or in the name of any
 27 authorized body of any such corporation or district, the interest thereon,
 28 the proceeds received by a holder from the sale of such obligations to
 29 the extent of the holder's cost of acquisition, or proceeds received upon
 30 redemption prior to maturity, or proceeds received at maturity, and the
 31 receipt of such interest and proceeds, shall be exempt from taxation in
 32 the state of Indiana for all purposes except a ~~state inheritance~~ **death** tax
 33 imposed under IC 6-4.1.

34 (b) All bonds issued after March 11, 1933, and before March 12,
 35 1959, by any municipality in this state under the provisions of any
 36 statute whereby the terms thereof provide for the payment of such
 37 bonds out of the funds derived from the revenues of any municipally
 38 owned utility or which are to be paid by pledging the physical property
 39 of any such municipally owned utility, or any bonds issued pledging
 40 both the physical property and the revenues of such utility, or any
 41 bonds issued for additions to or improvements to be made to such
 42 municipally owned utility, or any bonds issued by any municipality to

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be paid out of taxes levied by such municipality for the acquiring, purchase, construction, or the reconstruction of a utility, or any part thereof, shall be exempt from taxation for all purposes except a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

(c) This section does not apply to measuring the franchise tax imposed on the privilege of transacting the business of a financial institution in Indiana under IC 6-5.5.

(d) No other statute exempting interest paid on debt obligations of:

(1) a state or local public entity, including an agency, a government corporation, or an authority; or

(2) a corporation or other entity leasing real or personal property to an entity described in subdivision (1);

applies to measuring of the franchise tax imposed on financial institutions under IC 6-5.5.

SECTION 32. IC 8-10-1-27, AS AMENDED BY P.L.271-2003, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. (a) The exercise of the powers granted by this article will be in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions.

(b) As the operation and maintenance of a port or project by the commission will constitute the performance of essential governmental functions, the commission shall not be required to pay any taxes or assessments upon any port or project or any property acquired or used by the commission under the provisions of this article or upon the income therefrom. The bonds issued by the commission, the interest thereon, the proceeds received by a holder from the sale of such bonds to the extent of the holder's cost of acquisition, or proceeds received upon redemption prior to maturity or proceeds received at maturity, and the receipt of such interest and proceeds shall be exempt from taxation in the state of Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

(c) Notwithstanding any other statute, a lessee's leasehold estate in land that is part of a port and that is owned by the state or the commission is exempt from property taxation. However, an exemption under this subsection is not available for land not located at a port.

SECTION 33. IC 8-14.5-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12. All bonds or notes issued under this article are issued by a body corporate and politic of this state, but not a state agency, and for an essential public and governmental purpose. The bonds and notes, the interest on the bonds

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1 and notes, the proceeds received by an owner from the sale of the
 2 bonds or notes to the extent of the owner's cost of acquisition, proceeds
 3 received upon redemption for maturity, proceeds received at maturity,
 4 and the receipt of the interest and proceeds are exempt from taxation
 5 for all purposes except the financial institutions tax imposed under
 6 IC 6-5.5 or a ~~state inheritance death~~ tax imposed under IC 6-4.1.

7 SECTION 34. IC 8-21-9-31, AS AMENDED BY P.L.192-2002(ss),
 8 SECTION 145, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) The exercise of the powers
 10 granted by this chapter will be in all respects for the benefit of the
 11 people of the state, for the increase of their commerce and prosperity,
 12 and for the improvement of their health and living conditions, and as
 13 the operation and maintenance of an airport facility or airport facilities
 14 by the department will constitute the performance of essential
 15 governmental functions, the department shall not be required to pay
 16 any taxes or assessments upon any airport facility or airport facilities
 17 or any property acquired or used by the department under the
 18 provisions of this chapter, or upon the income therefrom, and the bonds
 19 issued under the provisions of this chapter, the interest thereon, the
 20 proceeds received by a holder from the sale of such bonds to the extent
 21 of the holder's cost of acquisition, or proceeds received upon
 22 redemption prior to maturity or proceeds received at maturity, and the
 23 receipt of such interest and proceeds shall be exempt from taxation in
 24 the state of Indiana for all purposes except the financial institutions tax
 25 imposed under IC 6-5.5 or a ~~state inheritance death~~ tax imposed under
 26 IC 6-4.1.

27 (b) All properties both real and personal owned and operated by the
 28 department or leased by the department for proprietary purposes shall
 29 be assessed and added to the local tax rolls as any other private
 30 property. Such proprietary operations, under control of either the
 31 authority or a lessee of the department, shall be subject to Indiana
 32 adjusted gross income and sales tax laws.

33 SECTION 35. IC 8-22-3-17 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) For the purpose
 35 of raising money to pay all bonds issued under section 16 of this
 36 chapter and any interest on them, the principal of and interest on any
 37 outstanding bonds or obligations payable from taxes and assumed
 38 under section 33 of this chapter, and leases entered into under
 39 IC 8-22-3.6 that are payable in whole or in part from a property tax
 40 levy, the board shall levy each year a special tax upon all of the
 41 property, both real and personal, located within the district in a manner
 42 and in an amount to meet and pay the principal of the bonds as they

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severally mature, together with all interest accruing on them, and to pay lease rentals as they become due, after taking into account all other revenues pledged to the payment of the bonds or lease rentals.

(b) The board shall file the tax levied each year with the county auditor of the county in which the district is located under IC 6-1.1-17.

(c) The tax levied shall be collected and enforced by the treasurer of the county under IC 6-1.1, and as the tax is collected by the treasurer of the county it shall be paid over to the treasurer of the authority. The treasurer shall accumulate and keep the tax in a separate fund to be known as the "airport authority bond fund", which shall be applied to the payment of the bonds and the interest on them as they severally mature and to the payment of lease rentals and to no other purposes.

(d) The bonds issued under this chapter and the interest on them are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 36. IC 8-22-3-18.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 18.1. (a) The board may:

- (1) finance capital improvements, including the acquisition of real estate;
- (2) refund any bonds; or
- (3) pay any loan contract;

by borrowing money and issuing revenue bonds from time to time under this section.

(b) The issuance of revenue bonds must be authorized by ordinance of the board in at least one (1) series, may bear a date or dates, may mature at a time or times not exceeding forty (40) years from their respective dates, may bear interest, may be in a denomination or denominations, may be in a form, either coupon or registered, may carry registration and conversion privileges, may be executed in a manner, may be payable in a medium of payment and at a place or places, may be subject to terms of redemption, with or without a premium, may be declared or become due before the maturity date, may provide for the replacement of mutilated, destroyed, stolen, or lost bonds, may be authenticated in a manner and upon compliance with conditions, and may contain other terms and covenants that the ordinance of the board provides. Notwithstanding the form or tenor of the bonds, and in the absence of express recitals on their faces that the bonds are nonnegotiable, the bonds are negotiable instruments.

(c) The issuance of revenue bonds must be approved as follows:

- (1) When the authority is established by an eligible entity, by the

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entity's executive.

(2) When the authority is established by at least two (2) eligible entities acting jointly, by the executive of each of those entities.

(3) When the authority was established under IC 19-6-2 (before its repeal on April 1, 1980), by the executive of the consolidated city.

(4) When the authority was established under IC 19-6-3 (before its repeal on April 1, 1980), by the county fiscal body.

For purposes of this subsection, the entire legislative body of a town is considered the executive of the town.

(d) The bonds must be executed in the name of the authority by the president of the board and attested by the secretary, and interest coupons may be executed by placing on the interest coupons the facsimile signature of the president of the board. The bonds are valid and binding obligations of the authority for all purposes, notwithstanding that before delivery of the bonds any of the persons whose signatures appear on the bonds have ceased to be officers of the entity or authority, as if the persons had continued to be officers of the entity and authority until after delivery. The validity of the authorization and issuance of the bonds is not dependent on or affected in any way by proceedings taken for the improvement for which the bonds are to be issued, or by contracts made in connection with the improvement. An ordinance authorizing revenue bonds must provide that a revenue bond contain a recital that the bond is issued under this chapter, and a bond containing the recital under authority of an ordinance is considered valid and issued in conformity with this chapter.

(e) At the discretion of the board, the revenue bonds shall be sold either under the procedures for selling public bonds or at a negotiated sale. The bonds may be sold in installments at different times, or an entire issue or series may be sold or exchanged at one (1) time. Any issue or series of the bond may be sold in part or sold in part in installments at different times or at one (1) time.

(f) The bonds are special obligations of the authority and are payable solely from and secured by a lien upon the revenues of all or part of the facilities of the authority, as shall be more fully described in the ordinance of the board authorizing the issuance of the bonds, and, subject to the Constitution and to the prior or superior rights of any person, the board may by ordinance pledge and assign for the security of the bonds all or part of the gross or net revenues of the enterprise.

(g) All bonds of the same issue shall be equally and ratably secured, without priority by reason of number, date of bonds, of sale, of

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1 execution, or of delivery, by a lien upon the revenues in accordance
2 with this section and the ordinance authorizing the issuance of the
3 bonds.

4 (h) This chapter does not alter the rights granted to or the
5 agreements made with the holders of any notes, bonds, or other
6 obligations of the board outstanding on April 1, 1980.

7 (i) The bonds, and interest on the bonds, are not a debt of the
8 authority or the board, nor a charge, a lien, or an encumbrance, legal or
9 equitable, upon property of the board, or upon income, receipts, or
10 revenues of the board other than those revenues of the facilities that
11 have been pledged to the payment of the bonds. Every bond must recite
12 in substance that the bond, including interest, is payable solely from the
13 revenues pledged to the bond's payment, and that the board is under no
14 obligation to pay the bond, except from those revenues.

15 (j) The bonds and the income from the bonds are exempt from
16 taxation, except the financial institutions tax imposed under IC 6-5.5
17 or a ~~state inheritance death~~ tax imposed under IC 6-4.1.

18 (k) In order that the payment of the revenue bonds and the interest
19 on the bonds be adequately secured, the board and its officers, agents,
20 and employees shall:

21 (1) pay or cause to be paid punctually the principal of every bond,
22 and the interest on every bond, on the date or dates and at the
23 place or places and in the manner and out of the funds mentioned
24 in the bonds and in the attached coupons, in accordance with the
25 ordinance authorizing their issuance;

26 (2) operate the facilities of the authority, the revenues of which
27 are pledged to the bonds, in an efficient and economical manner
28 and establish, levy, maintain, and collect fees, tolls, rentals, rates,
29 and other charges that may be necessary or proper, which must be
30 at least sufficient after making due and reasonable allowance for
31 contingencies and for a margin of error in the estimates:

32 (A) to pay all current expenses of operation, maintenance, and
33 repair of the facilities;

34 (B) to pay the interest on and principal of the bonds as the
35 bonds become due and payable;

36 (C) to comply in all respects with the terms of the ordinance
37 authorizing the issuance of bonds or any other contract or
38 agreement with the holders of the bonds; and

39 (D) to meet any other obligations of the board that are charges,
40 liens, or encumbrances upon the revenues of the facilities;

41 (3) operate and maintain the facilities and every part of the
42 facilities in good working order and condition;

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(4) preserve the security of the bonds and the rights of the holders, and warrant and defend the rights against all claims and demands of all persons;

(5) pay the lawful claims for labor, materials, and supplies, which, if unpaid, might by law become a lien or charge upon the revenues or part of the revenues, superior to the lien of the bonds, or that might impair the security of the bonds, to the end that the priority and security of the bonds be fully preserved;

(6) hold in trust the revenues pledged to the payment of the bonds for the benefit of the holders of the bonds and apply the revenues only as provided by the ordinance authorizing the issuance of the bonds or, if the ordinance is modified, as provided in the ordinance as modified; and

(7) keep proper books of record and accounts of the facilities (separate from all other records and accounts) in which complete and correct entries are made of all transactions relating to the facilities or part of the facilities, the revenues of which are pledged and that, together with all other books and papers of the board, are at all times subject to the inspection of the holder or holders of not less than ten percent (10%) of the bonds then outstanding or the holder's or the holders' representative duly authorized in writing.

None of the duties in this subsection require the expenditure in any manner or for any purpose by the board of any funds other than revenues received or receivable from the enterprise or facilities.

(l) The board may insert provisions in an ordinance or a resolution authorizing the issuance of revenue bonds, which becomes a part of the contract with the holders of the revenue bonds, as to:

(1) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds, or any notes, bonds, or other obligations payable from the revenues to finance the improving of the facilities may be applied;

(2) limitations on the issuance of additional bonds, or additional notes, bonds, or other obligations to finance the improving of the facilities, including liens;

(3) limitations on the right of the board to restrict and regulate the use of the facilities;

(4) the amount and kind of insurance to be maintained on the facilities and the use and disposition of insurance money;

(5) pledging all or part of the revenues of the facilities to which the board's right exists;

(6) covenanting against pledging all or part of the revenues of the

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facilities to which its right exists;

(7) events of default and terms and conditions upon which the bonds become or may be declared due before maturity and as to the terms and conditions upon which declaration and its consequences may be waived;

(8) the rights, liabilities, powers, and duties arising upon the breach by it of any covenants, conditions, or obligations;

(9) the vesting in a trust or trustees the right to enforce covenants made to secure, to pay, or in relation to the bonds, as to the powers and duties of the trustee or trustees, and the limitation of liabilities, and as to the terms and conditions upon which the holders of the bonds or any proportion or percentage of the holders of the bonds may enforce any covenants made or duties imposed under this chapter;

(10) a procedure by which the terms of an ordinance authorizing revenue bonds, or any other contract with bondholders, such as an indenture of trust or similar instrument, may be amended or abrogated and as to the amount of bonds, the holders of which must consent to them and the manner in which such consent may be given;

(11) the execution of all instruments necessary or convenient in the exercise of the powers granted by this chapter or in the performance of the duties of the board and the officers, agents, and employees of them;

(12) refraining from pledging, claiming, or taking the benefit or advantage of any stay or extension law whenever enacted, which may affect the duties or covenants of the board in relation to the bonds, or the performance or the lien of the bonds;

(13) the purchase out of funds available, including the proceeds of revenue bonds, of outstanding notes, bonds, or obligations and the price or prices at which and the manner in which purchases may be made; and

(14) other acts and things that may be necessary, convenient, or desirable in order to secure the bonds, or that may tend to make the bonds more marketable.

This section does not authorize the board to make covenants, to perform an act, or to do anything that requires the expenditure by the board of funds other than revenues received or receivable from the facilities.

(m) In the event that the board defaults in the payment of the principal or interest on any of the revenue bonds after the bonds become due, whether at maturity or upon call for redemption, and the

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1 default continues for a period of thirty (30) days, or in the event that the
 2 board or the board's officers, agents, or employees fail or refuse to
 3 comply with this chapter or default in an agreement made with the
 4 holders of the bonds, any holder or holders of revenue bonds, or a
 5 trustee for the holder or holders of the bonds, has the right to apply in
 6 an appropriate judicial proceeding to the circuit or superior court of the
 7 county in which the district is situated, in which the facilities are
 8 located, or in any court of competent jurisdiction, for the appointment
 9 of a receiver of the facilities, whether or not the holder, holders, or
 10 trustee is seeking or has sought to enforce any other right or to exercise
 11 any remedy in connection with the bonds. Upon application, the circuit
 12 or superior court may appoint, and if the application is made by the
 13 holders of twenty-five percent (25%) in principal amount of the bonds
 14 then outstanding or by a trustee for holders of the bonds in that amount
 15 shall appoint, a receiver for the enterprise.

16 (n) The receiver appointed shall, directly or by the receiver's agents
 17 and attorneys, enter into and upon and take possession of the facilities,
 18 the revenues of which are pledged, and every part of the facilities, and
 19 may exclude the board, the board's officers, agents, and employees, and
 20 all persons claiming under them. The receiver may have, hold, use,
 21 operate, manage, and control the facilities in the name of the board or
 22 otherwise, as the receiver considers best, and may exercise all rights
 23 and powers of the board with respect to the facilities as the board itself
 24 might do. The receiver shall maintain, restore, and insure the facilities,
 25 shall make all necessary repairs, shall establish, levy, maintain, and
 26 collect fees, tolls, rentals, and other charges in connection with the
 27 facilities that the receiver considers necessary or proper and
 28 reasonable, and shall collect and receive all revenues, deposit the
 29 revenues in a separate account, and apply the revenues in the manner
 30 that the court directs.

31 (o) Whenever all that is due upon the revenue bonds and interest on
 32 the bonds, and upon other notes, bonds, or other obligations, and
 33 interest on the notes, bonds, or obligations, having a charge, lien, or
 34 encumbrance on the revenues of the facilities and under the terms of
 35 covenants or agreements with bondholders has been paid or deposited,
 36 and all defaults have been cured and made good, the court may in its
 37 discretion, and after notice and hearing that the court considers
 38 reasonable and proper, direct the receiver to surrender possession of
 39 the facilities to the board, with the right of the holders of the bonds to
 40 secure the appointment of a receiver upon subsequent default
 41 remaining in force.

42 (p) The receiver shall act under the direction and supervision of the

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1 court making the appointment and is at all times subject to the orders
 2 and decrees of the court, including possible removal. Nothing
 3 contained in this section limits or restricts the jurisdiction of the court
 4 to enter other or further orders and decrees as the court considers
 5 necessary or appropriate for the exercise by the receiver of functions
 6 specifically set forth.

7 (q) Subject to contractual limitations binding upon the holders or a
 8 trustee of an issue of revenue bonds, including but not limited to the
 9 restrictions of the exercise of a remedy to a specified proportion or
 10 percentage of the holders, a holder or trustee of the bonds may, for the
 11 equal benefit and protection of all holders of revenue bonds similarly
 12 situated:

13 (1) by mandamus or other suit, action, or proceeding at law or in
 14 equity enforce rights against the board and any of the board's
 15 officers, agents, and employees and require and compel the board
 16 or the board's officers, agents, or employees to perform and carry
 17 out duties and obligations under this chapter and covenant
 18 agreements with bondholders;

19 (2) by action or suit in equity require the board to account as if the
 20 board were the trustee of an express trust;

21 (3) by action or suit in equity enjoin any acts or things that may be
 22 unlawful or in violation of the rights of the bondholders; or

23 (4) bring suit upon the bonds.

24 No remedy conferred by this chapter upon a holder or trustee of
 25 revenue bonds is intended to be exclusive of any other remedy, but
 26 each remedy is in addition to every other remedy and may be exercised
 27 without exhausting and without regard to any other remedy conferred
 28 by this chapter or by any other law. No waiver of a default or breach of
 29 duty or contract, whether by a holder or trustee of revenue bonds
 30 extends to or affects a subsequent default or breach of duty or contract
 31 or impairs any rights or remedies on them. No delay or omission of a
 32 bondholder or trustee extends to or affects a subsequent default or
 33 breach of duty or contract or impairs any rights or remedies. No delay
 34 or omission of a bondholder or trustee to exercise a right or power
 35 accruing upon default impairs the right or power or may be construed
 36 to be a waiver of the default or acquiescence in it. Every substantive
 37 right and every remedy conferred upon the holders of revenue bonds
 38 may be enforced and exercised from time to time and as often as is
 39 expedient. In case any suit, action, or proceeding to enforce a right or
 40 exercise a remedy is brought or taken and then discontinued or
 41 abandoned, or is determined adversely to the holder or trustee of the
 42 revenue bonds, then the board and the holder or trustee shall be

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restored to their former positions and rights and remedies as if no suit, action, or proceeding had been brought or taken.

(r) Refunding or refunding and improvement revenue bonds may be issued in accordance with the provisions for the refinancing or refinancing and improving of any of the facilities for which revenue bonds or a loan contract have been issued or made under this section or section 19 of this chapter.

(s) This section constitutes full authority for the issuance of revenue bonds. No procedure, proceedings, publications, notices, consents, approvals, orders, acts, or things by the board, by a board, an officer, a commission, a department, an agency, or an instrumentality of the state, or by an eligible entity ~~is~~ **are** required to issue revenue bonds or to do any act or perform anything under this chapter, except as presented by this chapter. The powers conferred by this chapter are in addition to, and not in substitution for, and the limitations imposed by this section do not affect the powers conferred in another section of this chapter or by any other statute.

SECTION 37. IC 8-22-3.7-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 21. (a) All:

- (1) property owned by the development authority;
- (2) revenues of the development authority; and
- (3) bonds issued by the development authority, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

(b) All securities issued under this chapter are exempt from the registration requirements of IC 23-2-1 and other securities registration statutes.

SECTION 38. IC 14-13-1-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 38. (a) The commission is not required to pay any taxes or assessments upon any of the following:

- (1) A project of the commission.
- (2) A facility, betterment, or improvement within a project.
- (3) Property acquired or used by the commission under this chapter or IC 14-6-29 (before its repeal).
- (4) The income or revenue from the property.

(b) The:

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- (1) bonds issued under this chapter or under IC 14-6-29 (before its repeal);
- (2) interest on the bonds;
- (3) proceeds received by a holder from the sale of the bonds to the extent of the holder's cost of acquisition;
- (4) proceeds received upon redemption before maturity or proceeds received at maturity; and
- (5) receipt of interest and proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 39. IC 14-13-2-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 28. (a) The commission is not required to pay any taxes or assessments upon any of the following:

- (1) A project of the commission.
- (2) A facility, a betterment, or an improvement within a project.
- (3) Property acquired or used by the commission under this chapter or under IC 14-6-29.5 (before its repeal).
- (4) The income or revenue from the property.

(b) The:

- (1) bonds issued under this chapter or under IC 14-6-29.5 (before its repeal);
- (2) interest on the bonds;
- (3) proceeds received by a holder from the sale of the bonds to the extent of the holder's cost of acquisition;
- (4) proceeds received upon redemption before maturity or proceeds received at maturity; and
- (5) receipt of interest and proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 40. IC 14-14-1-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 46. (a) The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of Indiana and for the increase of their commerce, health, enjoyment, and prosperity. The operation and maintenance of a park project by the commission will constitute the performance of essential governmental functions.

(b) The commission is not required to pay taxes or assessments upon a park project or property acquired or used by the commission under this chapter or IC 14-3-12 (before its repeal) or upon the income

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from the property. The following are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance death~~ tax imposed under IC 6-4.1:

- (1) Bonds issued under this chapter or under IC 14-3-12 (before its repeal).
- (2) Interest on the bonds.
- (3) Proceeds:
 - (A) received by a holder from the sale of bonds to the extent of the holder's cost of acquisition;
 - (B) received upon redemption before maturity; or
 - (C) received at maturity.
- (4) Receipt of the interest and proceeds.

SECTION 41. IC 15-1.5-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 9. Interest paid on bonds issued under this chapter is exempt from taxation for all purposes, except ~~an inheritance a death~~ tax under IC 6-4.1 and for determining financial institution tax liabilities under IC 6-5.5.

SECTION 42. IC 16-22-6-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 34. The following are exempt from state taxation except for the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance death~~ tax imposed under IC 6-4.1:

- (1) Property owned by the authority.
- (2) Revenues of the authority.
- (3) Bonds or other securities and the interest on bonds and securities issued by the authority.
- (4) Proceeds received by a holder from the sale of the bonds, to the extent of the holder's cost of acquisition.
- (5) Proceeds received upon redemption at or before maturity and the interest on the proceeds.

SECTION 43. IC 16-22-7-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 39. The following are exempt from state taxation except the financial institutions tax **imposed under IC 6-5.5** and the ~~state inheritance tax death taxes~~ **imposed under IC 6-4.1:**

- (1) All property owned by the authority.
- (2) All revenues of the authority.
- (3) All bonds or other securities issued by the authority and the interest on the bonds or other securities, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption at or before maturity, and the interest on the proceeds.

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SECTION 44. IC 20-12-63-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare, and prosperity, and for the improvement of their health and living conditions. Because the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments, including mortgage recording taxes, upon or in respect of:

- (1) a project or any property acquired or used by the authority or its agent under the provisions of this chapter or upon the income from the project or property;
- (2) the bonds issued under the provisions of this chapter or the interest on those bonds; and
- (3) the proceeds received from bonds issued under this chapter:
 - (A) by a holder from the sale of such bonds, to the extent of the holder's cost of acquisition;
 - (B) upon redemption prior to maturity; or
 - (C) at maturity.

All bonds and the interest on bonds issued under this chapter are exempt from taxation in the state of Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 45. IC 21-5-11-14, AS AMENDED BY P.L.192-2002(ss), SECTION 161 AND SECTION 165, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. All property owned by a lessor corporation so contracting with such school corporation or corporations under the provisions of this chapter, and all stock and other securities including the interest or dividends thereon issued by a lessor corporation, shall be exempt from all state, county, and other taxes, except, however, the financial institutions tax (IC 6-5.5) and ~~inheritance~~ **death** taxes (IC 6-4.1).

SECTION 46. IC 21-9-7-3, AS AMENDED BY P.L.135-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. **(a)** An account is not an asset for the purposes of IC 6-4.1-2.

(b) This section expires July 1, 2010.

SECTION 47. IC 27-1-29-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 17. (a) As used in this section:

- (1) "basic fund" refers to the political subdivision risk

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management fund established by this chapter; and

(2) "catastrophic fund" refers to the political subdivision catastrophic liability fund established by IC 27-1-29.1.

(b) The commission may issue its bonds or notes in amounts that it considers necessary to provide funds to:

(1) establish or maintain the reserve account in the catastrophic fund provided for in IC 27-1-29.1-8;

(2) provide for the payment of liabilities payable out of the basic fund to the extent such liabilities exceed the money in the basic fund; and

(3) pay, fund, or refund, regardless of when due, the principal of or interest or redemption premiums on bonds or notes issued under subdivision (1) or (2).

Bonds or notes issued under subdivision (2) must mature within three (3) years after their date of issuance.

(c) The bonds or notes of the commission may be issued and sold by the commission to the Indiana bond bank under IC 5-1.5.

(d) Every issue of bonds or notes is an obligation of the commission. An issue of bonds or notes under subsection (b)(1) is payable solely from assessments imposed by the commission under IC 27-1-29.1 on political subdivisions that are members of the catastrophic fund, and the commission may secure such bonds or notes by a pledge of assessments imposed under IC 27-1-29.1. An issue of bonds or notes under subsection (b)(2) is payable solely from assessments imposed by the commission under section 12 of this chapter on political subdivisions that are members of the basic fund, and the commission may secure such bonds or notes by a pledge of assessments imposed under section 12 of this chapter.

(e) A bond or note of the commission:

(1) is not a debt, liability, loan of credit, or pledge of the faith and credit of the state; and

(2) must contain on its face a statement that the commission is obligated to pay principal and interest, and the redemption premium, if any, and that the faith, credit, and taxing power of the state are not pledged to the payment of the bond or note.

(f) The state pledges to and agrees with the holders of the bonds or notes issued under this chapter that the state will not:

(1) limit or restrict the rights vested in the commission to fulfill the terms of any agreement made with the holders of its bonds or notes; or

(2) in any way impair the rights or remedies of the holders of the bonds or notes;

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1 until the bonds or notes, together with the interest on the bonds or
 2 notes, and interest on unpaid installments of interest, and all costs and
 3 expenses in connection with an action or proceeding by or on behalf of
 4 the holders, are fully met, paid, and discharged.

5 (g) The bonds or notes of the commission are negotiable instruments
 6 for all purposes of IC 26-1, subject only to the provisions of the bonds
 7 and notes for registration.

8 (h) Bonds or notes of the commission must be authorized by
 9 resolution of the commission, may be issued in one (1) or more series,
 10 and must:

- 11 (1) bear the date;
- 12 (2) mature at the time or times;
- 13 (3) be in the denomination;
- 14 (4) be in the form;
- 15 (5) carry the conversion or registration privileges;
- 16 (6) have the rank or priority;
- 17 (7) be executed in the manner;
- 18 (8) be payable from the sources in the medium of payment at the
- 19 place inside or outside the state; and
- 20 (9) be subject to the terms of redemption;

21 as the resolution of the commission or the trust agreement securing the
 22 bonds or notes provides.

23 (i) Bonds or notes may be issued under this chapter without
 24 obtaining the consent of any agency of the state and without any other
 25 proceeding or condition other than the proceedings or conditions
 26 specified in this chapter.

27 (j) The rate or rates of interest on the bonds or notes may be fixed
 28 or variable. Variable rates shall be determined in the manner and in
 29 accordance with the procedures set forth in the resolution authorizing
 30 the issuance of the bonds or notes. Bonds or notes bearing a variable
 31 rate of interest may be converted to bonds or notes bearing a fixed rate
 32 or rates of interest, and bonds or notes bearing a fixed rate or rates of
 33 interest may be converted to bonds or notes bearing a variable rate of
 34 interest, to the extent and in the manner set forth in the resolution
 35 pursuant to which the bonds or notes are issued. The interest on bonds
 36 or notes may be payable semiannually or annually or at any other
 37 interval or intervals as may be provided in the resolution, or the interest
 38 may be compounded and paid at maturity or at any other times as may
 39 be specified in the resolution.

40 (k) The bonds or notes may be made subject, at the option of the
 41 holders, to mandatory redemption by the commission at the times and
 42 under the circumstances set forth in the authorizing resolution.

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(l) Bonds or notes of the commission may be sold at public or private sale at such price, either above or below the principal amount, as the commission fixes. If bonds or notes of the commission are to be sold at public sale, the commission shall comply with IC 5-1-11 and shall publish notice of the sale in accordance with IC 5-3-1-2 in two (2) newspapers published and of general circulation in Indianapolis.

(m) The commission may periodically issue its notes under this chapter and pay and retire the principal of the notes, pay the interest due on the notes, or fund or refund the notes from proceeds of bonds or of other notes or from other funds or money of the commission available for that purpose in accordance with a contract between the commission and the holders of the notes.

(n) The commission may secure any bonds or notes issued under this chapter by a trust agreement by and between the commission and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or outside Indiana.

(o) The trust agreement or the resolution providing for the issuance of the bonds or notes may contain provisions for protecting and enforcing the rights and remedies of the holders of any such bonds or notes as are reasonable and proper and not in violation of law.

(p) The trust agreement or resolution may set forth the rights and remedies of the holders of any bonds or notes and of the trustee and may restrict the individual right of action by the holders.

(q) In addition to the provisions of subsections (n) through (p), any trust agreement or resolution may contain other provisions the commission considers reasonable and proper for the security of the holders of any bonds or notes.

(r) All expenses incurred in carrying out the provisions of the trust agreement or resolution may be paid from assessments, revenues, or assets pledged or assigned to the payment of the principal of and the interest on bonds and notes or from any other funds available to the commission.

(s) Notwithstanding the restrictions of any other law, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued under this chapter.

(t) All bonds or notes issued under this chapter are issued by a body corporate and politic of this state, but not a state agency, and for an essential public and government purpose and the bonds and notes, the interest thereon, the proceeds received by a holder from the sale of the

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bonds or notes to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, and proceeds received at maturity, and the receipt of the interest and proceeds are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 48. IC 28-5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. If any certificate holder of any industrial loan and investment company shall die, leaving unpledged certificates in such company and no executor of ~~his the~~ **certificate holder's** will or administrator of ~~his the~~ **certificate holder's** estate has been appointed, such company, upon receiving a waiver from the inheritance tax administrator (**or, after the elimination of the office of inheritance tax administrator, from the department of state revenue**) under IC 6-4.1, may, in its discretion, pay the value of such certificates to the widow, widower, or next of kin, or may apply the value of such certificates to the payment of funeral expenses or the expenses of the last sickness or other just debts of the decedent. As a condition of such payment, such company shall require proof by affidavit as to the parties in interest and shall also require the filing of proper waivers and the execution of a bond of indemnity with proper sureties from the parties interested, and a proper acquittance and receipt for such payment by the person to whom such payment is made shall fully release the company, and such company shall not thereafter be held liable to the decedent's executor or administrator thereafter appointed, or to any other person.

SECTION 49. IC 29-1-17-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 14. (a) If, after an estate has been settled and the personal representative discharged, other property of the estate shall be discovered, or if it shall appear that any necessary act remains unperformed on the part of the personal representative, or for any other proper cause, the court, upon the petition of the discharged personal representative or any person interested in the estate and, without notice or upon such notice as it may direct, may order that said estate be reopened. It may reappoint the personal representative or appoint another personal representative to administer such property or perform such act as may be deemed necessary. Unless the court shall otherwise order, the provisions of this article as to an original administration shall apply to the proceedings had in the reopened administration so far as may be, but no claim which is already barred can be asserted in the reopened administration.

(b) Whenever any solvent estate has been closed, and it thereafter

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appears that any assets thereof have not been fully administered upon, the court may, if it appears practicable, order such assets distributed to, or title vested in, the persons entitled thereto after compliance with requirements as to ~~an inheritance a death~~ tax imposed under IC 6-4.1, in lieu of reopening the estate as provided in the preceding subsection. No additional notice of such proceedings shall be necessary unless so ordered by the court.

SECTION 50. IC 29-1-17-15.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 15.1. (a) Whenever any person has died leaving property or any interest therein and no general administration has been commenced on ~~his the person's~~ estate in this state, nor has any will been offered for probate in this state, within five (5) months after ~~his the person's~~ death, any person claiming an interest in such property as heir or through an heir may file a petition in any court which would be of proper venue for the administration of such decedent's estate, to determine the heirs of said decedent and their respective interests as heirs in the estate.

(b) The petition shall state:

- (1) the name, age, domicile, and date of death of the decedent;
- (2) the names, ages, and residence addresses of the heirs, so far as known or can with reasonable diligence be ascertained;
- (3) the names and residence addresses of any persons claiming any interest in such property through an heir, so far as known or can by reasonable diligence be ascertained;
- (4) a particular description of the property with respect to which such determination is sought; **and**
- (5) the net value of the estate.

(c) Upon the filing of the petition, the court shall fix the time for the hearing thereof, notice of which shall be given to:

- (1) all persons known or believed to claim any interest in the property as heir or through an heir of the decedent;
- (2) all persons who may at the date of the filing of the petition be shown by the records of conveyances of the county in which any real property described in such petition is located to claim any interest therein through the heirs of the decedent; and
- (3) any unknown heirs of the decedent.

Such notice shall be given by publication and in addition, personal notice by registered mail shall be given to every such person whose address is known to the petitioner. Upon satisfactory proofs, including proof of compliance with ~~inheritance the death~~ tax laws ~~of this state set forth in IC 6-4.1~~, the court shall make a decree determining the heirs of said decedent and their respective interests as heirs in said

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property.

(d) A certified copy of the decree shall be recorded at the expense of the petitioner in each county in which any real property described therein is situated except the county in which the decree is entered, and shall be conclusive evidence of the facts determined therein as against all parties to the proceedings.

SECTION 51. IC 29-3-3-3, AS AMENDED BY P.L.192-2002(ss), SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. Except as otherwise determined in a dissolution of marriage proceeding, a custody proceeding, or in some other proceeding authorized by law, including a proceeding under section 6 of this chapter or another proceeding under this article, and unless a minor is married, the parents of the minor jointly (or the survivor if one (1) parent is deceased), if not an incapacitated person, have, without the appointment of a guardian, giving of bond, or order or confirmation of court, the right to custody of the person of the minor and the power to execute the following on behalf of the minor:

(1) Consent to the application of subsection (c) of Section 2032A of the Internal Revenue Code, which imposes personal liability for payment of the tax under that Section.

(2) Consent to the application of Section 6324A of the Internal Revenue Code, which attaches a lien to property to secure payment of taxes deferred under Section 6166 of the Internal Revenue Code.

(3) Any other consents, waivers, or powers of attorney provided for under the Internal Revenue Code.

(4) Waivers of notice permissible with reference to proceedings under IC 29-1.

(5) Consents, waivers of notice, or powers of attorney under any statute, including the Indiana inheritance death tax law (IC 6-4.1) and the Indiana adjusted gross income tax law (IC 6-3).

(6) Consent to unsupervised administration as provided in IC 29-1-7.5.

(7) Federal and state income tax returns.

(8) Consent to medical or other professional care, treatment, or advice for the minor's health and welfare.

SECTION 52. IC 30-4-1-2, AS AMENDED BY P.L.84-2002, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. As used in this article:

(1) "Adult" means any person eighteen (18) years of age or older.

(2) "Affiliate" means a parent, descendant, spouse, spouse of a descendant, brother, sister, spouse of a brother or sister,

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employee, director, officer, partner, joint venturer, a corporation subject to common control with the trustee, a shareholder, or corporation who controls the trustee or a corporation controlled by the trustee other than as a fiduciary.

(3) "Beneficiary" has the meaning set forth in IC 30-2-14-2.

(4) "Breach of trust" means a violation by the trustee of any duty which is owed to the settlor or beneficiary.

(5) "Charitable trust" means a trust in which all the beneficiaries are the general public or organizations, including trusts, corporations, and associations, and that is organized and operated wholly for religious, charitable, scientific, public safety testing, literary, or educational purposes. The term does not include charitable remainder trusts, charitable lead trusts, pooled income funds, or any other form of split-interest charitable trust that has at least one (1) noncharitable beneficiary.

(6) "Court" means a court having jurisdiction over trust matters.

(7) "Income", except as otherwise stated in a trust agreement, has the meaning set forth in IC 30-2-14-4.

(8) "Income beneficiary" has the meaning set forth in IC 30-2-14-5.

(9) "Inventory value" means the cost of property to the settlor or the trustee at the time of acquisition or the market value of the property at the time it is delivered to the trustee, or the value of the property as finally determined for purposes of ~~an estate or inheritance~~ **a death tax law set forth in IC 6-4.1.**

(10) "Minor" means any person under the age of eighteen (18) years.

(11) "Person" has the meaning set forth in IC 30-2-14-9.

(12) "Personal representative" means an executor or administrator of a decedent's or absentee's estate, guardian of the person or estate, guardian ad litem or other court appointed representative, next friend, parent or custodian of a minor, attorney in fact, or custodian of an incapacitated person (as defined in IC 29-3-1-7.5).

(13) "Principal" has the meaning set forth in IC 30-2-14-10.

(14) "Remainderman" means a beneficiary entitled to principal, including income which has been accumulated and added to the principal.

(15) "Settlor" means a person who establishes a trust including the testator of a will under which a trust is created.

(16) "Trust estate" means the trust property and the income derived from its use.

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(17) "Trust for a benevolent public purpose" means a charitable trust (as defined in subdivision (5)), a split-interest trust (as defined in Section 4947 of the Internal Revenue Code), and any other form of split-interest charitable trust that has both charitable and noncharitable beneficiaries, including but not limited to charitable remainder trusts, charitable lead trusts, and charitable pooled income funds.

(18) "Trust property" means property either placed in trust or purchased or otherwise acquired by the trustee for the trust regardless of whether the trust property is titled in the name of the trustee or the name of the trust.

(19) "Trustee" has the meaning set forth in IC 30-2-14-13.

SECTION 53. IC 33-19-5-6, AS AMENDED BY P.L.1-2002, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. (a) Except as provided under subsection (c), for each action filed under:

(1) IC 6-4.1-5 (determination of inheritance tax, **based on a cause of action arising with respect to an individual whose death occurs before July 1, 2008**);

(2) IC 29 (probate); and

(3) IC 30 (trusts and fiduciaries);

the clerk shall collect from the party filing the action a probate costs fee of one hundred twenty dollars (\$120).

(b) In addition to the probate costs fee collected under this section, the clerk shall collect from the party filing the action the following fees if they are required under IC 33-19-6:

(1) A document fee.

(2) A document storage fee (IC 33-19-6-18.1).

(3) An automated record keeping fee (IC 33-19-6-19).

(c) A clerk may not collect a court costs fee for the filing of the following exempted actions:

(1) Petition to open a safety deposit box.

(2) Filing an inheritance tax return (**if a return is due before the expiration of IC 6-4.1-2**), unless proceedings other than the court's approval of the return become necessary.

(3) Offering a will for probate under IC 29-1-7, unless proceedings other than admitting the will to probate become necessary.

SECTION 54. IC 34-24-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) If:

(1) the court has entered judgment in favor of the state, and a unit (if appropriate) concerning property that is subject to seizure

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under this chapter; and

(2) a person:

(A) holding a valid lien, mortgage, security interest, or interest under a conditional sales contract; or

(B) who is a co-owner of the property;

did not know of the illegal use;

the court shall determine whether the secured interest or the co-owner's interest is equal to or in excess of the appraised value of the property.

(b) Appraised value is to be determined as of the date of judgment on a wholesale basis by:

(1) agreement between the secured party or the co-owner and the prosecuting attorney; or

(2) the inheritance tax appraiser for the county in which the action is brought **(before the elimination of the office of inheritance tax appraiser).**

(c) If the amount:

(1) due to the secured party; or

(2) of the co-owner's interest;

is equal to or greater than the appraised value of the property, the court shall order the property released to the secured party or the co-owner.

(d) If the amount:

(1) due the secured party; or

(2) of the co-owner's interest;

is less than the appraised value of the property, the holder of the interest or the co-owner may pay into the court an amount equal to the owner's equity, which shall be the difference between the appraised value and the amount of the lien, mortgage, security interest, interest under a conditional sales contract, or co-owner's interest. Upon such payment, the state or unit, or both, shall relinquish all claims to the property, and the court shall order the payment deposited as provided in section 4(d) of this chapter.

(e) If the seized property is a vehicle and if the security holder or the co-owner elects not to make payment as stated in subsection (d), the vehicle shall be disposed of in accordance with section 4(c) of this chapter.

SECTION 55. IC 34-24-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) If a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract did not know the property was the object of corrupt business influence, the court shall determine whether the secured interest is equal to or in excess of the appraised value of the property.

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(b) Appraised value is to be determined as of the date of judgment on a wholesale basis by:

- (1) agreement between the secured party and the prosecuting attorney; or
- (2) the inheritance tax appraiser for the county in which the action is brought (**before the elimination of the office of inheritance tax appraiser**).

(c) If the amount due to the secured party is equal to or greater than the appraised value of the property, the court shall order the property released to the secured party.

(d) If the amount due the secured party is less than the appraised value of the property, the holder of the interest may pay into the court an amount equal to the owner's equity, which shall be the difference between the appraised value and the amount of the lien, mortgage, security interest, or interest under a conditional sales contract. Upon payment, the state or unit, or both, shall relinquish all claims to the property.

SECTION 56. IC 36-7-14.5-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 23. All:

- (1) property owned by the authority;
- (2) revenues of the authority; and
- (3) bonds issued by the authority, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 57. IC 36-7-15.3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 19. All:

- (1) property owned by the authority;
- (2) revenues of the authority; and
- (3) bonds issued by the authority, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 58. IC 36-7-23-48 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 48. All property, both
 2 tangible and intangible, acquired or held by the authority under this
 3 chapter is public property used for public and governmental purposes.
 4 All the property, along with the income from the property, is exempt
 5 from all taxes imposed by the state or a political subdivision, except for
 6 the financial institutions tax imposed under IC 6-5.5 or a ~~state~~
 7 ~~inheritance~~ **death** tax imposed under IC 6-4.1.

8 SECTION 59. IC 36-9-3-31, AS AMENDED BY P.L.90-2002,
 9 SECTION 504, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) This section applies to an
 11 authority that includes a county having a population of more than four
 12 hundred thousand (400,000) but less than seven hundred thousand
 13 (700,000).

14 (b) The authority may issue revenue or general obligation bonds
 15 under this section.

16 (c) The board may issue revenue bonds of the authority for the
 17 purpose of procuring money to pay the cost of acquiring real or
 18 personal property for the purpose of this chapter. The issuance of bonds
 19 must be authorized by resolution of the board and approved by the
 20 county fiscal bodies of the counties in the authority before issuance.
 21 The resolution must provide for the amount, terms, and tenor of the
 22 bonds, and for the time and character of notice and mode of making
 23 sale of the bonds.

24 (d) The bonds are payable at the times and places determined by the
 25 board, but they may not run more than thirty (30) years after the date
 26 of their issuance and must be executed in the name of the authority by
 27 an authorized officer of the board and attested by the secretary. The
 28 interest coupons attached to the bonds may be executed by placing on
 29 them the facsimile signature of the authorized officer of the board.

30 (e) The president of the authority shall manage and supervise the
 31 preparation, advertisement, and sale of the bonds, subject to the
 32 authorizing ordinance. Before the sale of bonds, the president shall
 33 cause notice of the sale to be published in accordance with IC 5-3-1,
 34 setting out the time and place where bids will be received, the amount
 35 and maturity dates of the issue, the maximum interest rate, and the
 36 terms and conditions of sale and delivery of the bonds. The bonds shall
 37 be sold in accordance with IC 5-1-11. After the bonds have been
 38 properly sold and executed, the executive director or president shall
 39 deliver them to the controller of the authority and take a receipt for
 40 them, and shall certify to the treasurer the amount that the purchaser is
 41 to pay, together with the name and address of the purchaser. On
 42 payment of the purchase price the controller shall deliver the bonds to

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the purchaser, and the controller and executive director or president shall report their actions to the board.

(f) General obligation bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the appropriation of the proceeds of bonds, the right of taxpayers to appeal and be heard on the proposed appropriation, the approval of the appropriation by the department of local government finance, the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds for not less than their par value.

(g) Notice of the filing of a petition requesting the issuance of bonds, notice of determination to issue bonds, and notice of the appropriation of the proceeds of the bonds shall be given by posting in the offices of the authority for a period of one (1) week and by publication in accordance with IC 5-3-1.

(h) The bonds are not a corporate indebtedness of any unit, but are an indebtedness of the authority as a municipal corporation. A suit to question the validity of the bonds issued or to prevent their issuance may not be instituted after the date set for sale of the bonds, and after that date the bonds may not be contested for any cause.

(i) The bonds issued under this section and the interest on them are exempt from taxation for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 60. IC 36-9-25-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27. (a) To raise money to pay for the property and the construction, and in anticipation of the special tax to be levied as provided in sections 19 and 29 of this chapter, the board may have issued, in the name of the municipality, the bonds of the district. The bonds may not exceed in amount the estimated cost of all land, rights-of-way, and other property to be acquired and the estimated cost of all construction as provided in the resolution, including all expenses necessarily incurred in connection with the proceedings, together with a sum sufficient to pay the cost of supervision and inspection during the period of construction. The expenses to be covered by the bond issue include all expenses of every kind actually incurred preliminary to acquisition of the property and the construction of the work, such as the cost of necessary records, engineering expenses, publication of notices, salaries, and other expenses.

(b) If different parcels of land are to be acquired, or if more than one (1) contract for work is let by the board at approximately the same

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time, whether under one (1) or more resolutions of the board, the estimated cost may be combined in one (1) bond issue. The bonds shall be issued in denominations of at least one thousand dollars (\$1,000) each and shall have a final maturity of not later than fifty (50) years from the date of issue. The bonds are negotiable unless registered, but may be made registrable for principal only or principal and interest. The bonds may be made redeemable before the stated maturities on terms and conditions and at the premiums that the board determines in the resolution authorizing the issuance of the bonds.

(c) Upon adoption of a resolution ordering bonds, the board shall certify a copy of the resolution to the municipal fiscal officer, who shall then prepare the bonds. The municipal executive shall execute the bonds and the fiscal officer shall attest them. The bonds and interest are exempt from taxation for all purposes, except the financial institutions tax imposed under IC 6-5.5 or ~~an inheritance~~ **a death** tax imposed under IC 6-4.1. All bonds issued by the board shall be sold by the fiscal officer to the highest bidder, but not for less than par, after giving notice of the sale by publication in accordance with IC 5-3-1.

(d) The bonds are not a corporate obligation or indebtedness of the municipality, but constitute an indebtedness of the district as a special taxing district. Except as provided in section 29(c) of this chapter, the bonds and interest are payable only out of a special tax levied upon all the property of the district as provided in this chapter. The bonds must recite these terms upon their face, together with the purpose for which they are issued.

(e) The board may sell bonds of the district to run for a period of five (5) years from the date of sale. The five (5) year bonds are exempt from taxation for all purposes except for the financial institutions tax imposed under IC 6-5.5. The board may sell bonds of the district in series for the purpose of refunding at any time the five (5) year bonds. Actions questioning the validity of the bonds issued or to prevent their issue may not be brought after the date set for the sale of the bonds, and all bonds are incontestable for any cause after that date.

(f) The total amount of the bond issue, including bonds already issued and to be issued, may not exceed twelve percent (12%) of the total adjusted value of taxable property in the district as determined under IC 36-1-15. All bonds issued in violation of this subsection are void.

SECTION 61. IC 36-10-9.1-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 22. All:

- (1) property owned by the authority;
- (2) revenues of the authority; and

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(3) bonds issued by the authority, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds; are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

SECTION 62. IC 36-10-10-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 24. All:

(1) property owned by the authority;
 (2) revenues of the authority; and
 (3) bonds or other securities issued by the authority, the interest on them, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption prior to maturity, proceeds received at maturity, and the receipt of interest and proceeds; are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a ~~state inheritance~~ **death** tax imposed under IC 6-4.1.

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